

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

I

W-02031A
Indiada Water Company, Inc.
301 North Garden Avenue
Sierra Vista AZ 85635

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

RECEIVED
APR 23 2003

Director of Utilities

FOR YEAR ENDING

12	31	2002
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*Entered
4/25/03
Cym*

FOR COMMISSION USE

ANN 04	02
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of

COMPANY INFORMATION

Company Name (Business Name) INDIADA WATER COMPANY

Mailing Address 321 N GARDEN
(Street)

SIERRA VISTA
(City)

AZ
(State)

85635
(Zip)

520-458-3209
Telephone No. (Include Area Code)

520-439-9717
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: NATHAN WATKINS
(Name)

Manager
(Title)

321 N Garden
(Street)

SIERRA VISTA
(City)

AZ
(State)

85635
(Zip)

520-458-3209
Telephone No. (Include Area Code)

520-439-9717
Fax No. (Include Area Code)

520-940-0097
Pager/Cell No. (Include Area Code)

Email Address n.watkins@theriver.com

On Site Manager: SAME
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Bob Watkins
 (Name)
301 N. Garden Sierra Vista AZ 86355
 (Street) (City) (State) (Zip)
520-458-4338 520-459-7603
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
 (Name)

 (Street) (City) (State) (Zip)

 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Indiana Water Co

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	750		750
304	Structures and Improvements			
307	Wells and Springs	14684	14332	352
311	Pumping Equipment	9750	5611	4139
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	17641	10998	6643
333	Services			
334	Meters and Meter Installations	3068	3018	50
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	5899	3425	2474
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	51792	37384	14408

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME INDIADA WATER CO

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	750		
304	Structures and Improvements			
307	Wells and Springs	14684		41
311	Pumping Equipment	9750		344
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	17641		1190
333	Services			
334	Meters and Meter Installations	3068		31
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	5899		1161
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	51792		3207

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME INDIANA WATER CO

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3354	\$ 6714
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		131
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	3800	3800
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 7154	\$ 10645
	FIXED ASSETS		
101	Utility Plant in Service	\$ 51479	\$ 51792
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	34117	37384
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 17362	\$ 14408
	TOTAL ASSETS	\$ 24516	\$ 25053

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

INDIANA WATER CO

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$ 961
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	610	490
236	Accrued Taxes	810	688
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1420	\$ 2139
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 8242	\$ 6167
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 9662	\$ 8306
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 41300	\$ 41300
211	Paid in Capital in Excess of Par Value	< 22643 >	< 22643 >
215	Retained Earnings	7497	9390
218	Proprietary Capital (Sole Props and Partnerships) TREASURY STOCK	< 11300 >	< 11300 >
	TOTAL CAPITAL	\$ 14854	\$ 16747
	TOTAL LIABILITIES AND CAPITAL	\$ 24516	\$ 25053

COMPANY NAME INDIANA WATER CO

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 26576	\$ 27458
460	Unmetered Water Revenue		
474	Other Water Revenues	80	166
	TOTAL REVENUES	\$ 26656	\$ 27624
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 9160	\$ 9000
610	Purchased Water		
615	Purchased Power	1020	1697
618	Chemicals		
620	Repairs and Maintenance	1849	3012
621	Office Supplies and Expense	824	531
630	Outside Services	830	890
635	Water Testing	1620	1230
641	Rents	1600	1953
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	396	461
403	Depreciation Expense	3020	3267
408	Taxes Other Than Income	1117	1142
408.11	Property Taxes	2337	1923
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 23773	\$ 25105
	OPERATING INCOME/(LOSS)	\$	\$ 2518
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	2250	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	1168	625
	TOTAL OTHER INCOME/(EXPENSE)	\$ 1082	\$ 625
	NET INCOME/(LOSS)	\$ 3965	\$ 1893

COMPANY NAME

INDIANA WATER CO

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan	STOCKHOLDER			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$ 614.7	\$	\$	\$
Date of Maturity				
Interest Rate	9%			
Current Year Interest	\$ 625	\$	\$	\$
Current Year Principle	\$ 2075	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 490

Meter Deposits Refunded During the Test Year

\$ 120

COMPANY NAME

INDIANA WATER CO

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-805790	1	12	55	8	N/A	1970
55-805791	2	20	150	8	N/A	1966
55-805792	1.5	20	145	8	2"	1967

- * Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
12,000	1	1,000	2
		85	2

COMPANY NAME INDIANA WATER CO

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	210
3		
4	PC/PVC	970
5		
6	PVC	1800
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	49
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

Fences

OTHER:

Furniture

COMPANY NAME: INDIANA WATER CO

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	48	345430	345
FEBRUARY	48	351350	352
MARCH	49	309730	310
APRIL	48	493890	494
MAY	49	515340	516
JUNE	49	649590	650
JULY	49	882880	883
AUGUST	49	537450	538
SEPTEMBER	49	483260	483
OCTOBER	49	515410	515
NOVEMBER	49	447880	448
DECEMBER	49	362810	363
TOTAL		N/A	5897

5895020 *cm*

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. < 0.001 mg/l

(If more than one well, please list each separately)

All wells

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME INDIANA WATER CO YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 961

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME INDIANA WATER CO YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 4939
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported 4939
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nathan Watkins
SIGNATURE

4-14-03
DATE

NATHAN WATKINS
PRINTED NAME

PRESIDENT
TITLE

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED
APR 23 2003

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCHISE</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>NATHAN WATKINS, PRESIDENT</u>
COMPANY NAME	<u>INDIANA WATER CO, INC</u>

Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 29,329

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,705
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

(SEAL)

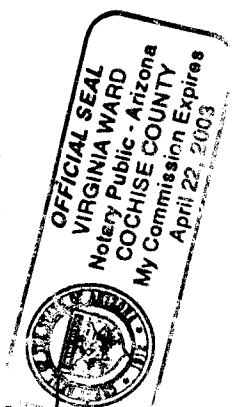
MY COMMISSION EXPIRES 4/22/03

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

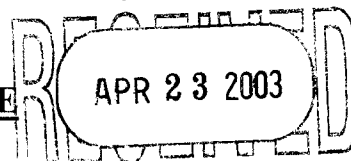
COUNTY NAME	<u>COCHISE</u>
MONTH	<u>April</u> 200 <u>3</u>

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>NATHAN WATKINS</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>INDIANA WATER CO INC</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>29329</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1705
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Nathan Watkins
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF



OFFICIAL SEAL
VIRGINIA WARD
Notary Public - Arizona
COCHISE COUNTY
My Commission Expires
4/22/03

MY COMMISSION EXPIRES 4/22/03

NOTARY PUBLIC NAME <u>Virginia Ward</u>	
COUNTY NAME <u>COCHISE</u>	
MONTH <u>April</u>	20 <u>03</u>

X Virginia Ward
SIGNATURE OF NOTARY PUBLIC

02-937-26-870 7

INDIADA WATER COMPANY, INC.

301 N. GARDEN AVE.
SIERRA VISTA, ARIZONA 85635
(520) 458-4388

WELLS FARGO BANK
Sierra Vista Office
Sierra Vista, Arizona

91-527/1221

2027

10/10/2002

PAY TO THE ORDER OF MARSHA BONHAM COCHISE COUNTY TREAS

\$ **961.31

Nine Hundred Sixty-One and 31/100*****

DOLLARS

MARSHA BONHAM COCHISE COUNTY TREAS
PO BOX 1778
BISBEE AZ 85603

Nath [Signature]

SAFEGUARD SECURE
SAFEGUARD SECURE

MEMO PAR # 937-26-870-7 2002 1st 1/2 Taxes

⑈002027⑈ ⑆122105278⑆0818297673⑈

⑈0000096131⑈